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**Transport for the North: Future Operating Model****1. Context**

- 1.1 The publication of the Integrated Rail Plan and Government's decision to put in place new working arrangements for the next stage of Northern Powerhouse Rail (Phase 1) requires the TfN executive to undergo its own transition to ensure it remains fit for purpose.
- 1.2 Notwithstanding the change in working arrangements in relation to the development and delivery of NPR (Phase 1), the statutory role and responsibilities of TfN (as Sub-national Transport Body) are unchanged.
- 1.3 These are written in such a way as to enable TfN (and its partners) to consider the transport system in the round and focus on:
  - Issues and investment proposals that go beyond local authority boundaries
  - Issues that are of common interest and where a collaborative approach enables solutions to be developed and implemented in a timely and cost-effective manner
  - Influencing and shaping processes and programmes that operate at the national level
- 1.4 TfN is also empowered to put forward proposals as to how to improve the effectiveness and efficiency of the transport system: this includes the power to put forward specific proposals for further devolution to the Secretary of State for their consideration.

**2. Core Strategic Narrative**

- 2.1 The key drivers for the work of TfN remain undiminished, namely:
  - Realising the economic potential of the North – the extent of which was first established through the publication of the Northern Powerhouse Independent Economic Review
  - Enabling development that is sustainable for the long term – emphasised by the legal requirement to achieve net zero carbon
  - Addressing the extent to which transport acts as a barrier to individuals realising their potential
- 2.2 Explicit within the key drivers is the central role that investment in the North's transport system (both infrastructure and services) has to play, specifically there is a need for:
  - **A Strategy:** an outcome focused long-term strategic plan for the development of the North's transport system
  - **An Investment Programme** - a prioritised programme that provides the context for the development and delivery of detailed proposals as a co-ordinated programme focused on delivering the agreed outcomes

- **Implementation** – investing in the capacity and capability required to develop and then accelerate implementation of the Strategy and its Investment Programme
- 2.3 In order for the work of TfN to remain evidence-based, and vision-led it is essential to:
- Maintain and develop the Regional Evidence Base – a common baseline, available to all partners and which ensures a consistent foundation upon which policies and proposals are developed
  - Agree on the strategic outcomes sought – with a focus on place and expressed in terms of improved connectivity of people and places with services and opportunities
  - Identify the scale of change required – harnessing state of the art modelling tools, and analytical frameworks developed by TfN
  - Identify the need for intervention – working with partners to develop Strategic Outline Cases, being mindful that transport interventions are part of the wider strategic infrastructure system
  - Identify a programme of investment requirements that in combination deliver the agreed strategic outcomes – supporting partners and delivery agencies as they develop detailed proposals to be taken forward into delivery
- 2.4 The added value provided by TfN in this context is to be:
- A centre of technical excellence for the North – holding and collating information and analytical tools that are available to all partners
  - A source of trusted information – commissioning technical work, the outputs of which are available to TfN partners, and which is then used to shape and inform debate in the North and nationally
  - A strategic thought leader:
    - Sector specific – for example freight and logistics, ev-infrastructure
    - Systems thinking – alignment of activity across policy areas to support realisation of agreed strategic outcomes, i.e. aligning transport, energy systems and digital connectivity
  - An enabler of accelerated delivery – making the case for managing delivery of the Investment Pipeline as a managed programme (seeking a simplification of, and reduction in processes)
  - A representative voice of the North – and through the Northern Transport Charter strengthening the case for greater devolution to the North's Leaders.
- 3. Opportunities for TfN**
- Strategic Thought Leadership*
- 3.1 The need to review and update the Strategic Transport Plan offers the opportunity for TfN to consider in greater detail:

- The need to reduce the environmental impact of transport – not just in terms of decarbonisation, but also air quality
  - The extent to which transport remains a barrier for individuals – TfN’s work on Transport Related Social Exclusion will assist here
  - The importance of ensuring that transport solutions reflect the diversity within our society
  - The needs of an aging society; a reflection of how supporting individuals to maintain independent living has the potential to reduce demand for social care and health services
  - How the shift away from ‘owning’ transport to ‘accessing’ transport services provides an opportunity to do things differently
- 3.2 The review of the Plan also provides the opportunity to reflect on, and take account of, changes across wider society, including:
- Acceleration in the growth of e-services and e-retail – which have implications for travel demand, as well as creating opportunities to repurpose town/city centres, leading to further change in demand
  - Increased emphasis on the importance of digital connectivity (for business and personal use) – the widespread adoption of flexible/hybrid working is both changing travel demand in absolute terms, and its distribution over the course of the average day.
  - Changes in the business models for all the main travel modes – electrification of road vehicles impacting on revenues raised through Vehicle Excise Duty and fuel duty: changes in the time of travel on trains impacting on passenger revenues: continuing challenges with the viability of bus services in less densely populated areas.

#### *The Investment Pipeline*

- 3.3 TfN’s ongoing work in relation to the Investment Programme Benefits Assessment (IPBA) will provide the basis for adopting a programme-based approach to the planning, development, and delivery of strategic infrastructure. Such an approach would be consistent with the most recent advice of the National Infrastructure Commission which advocates the need for simplification of investment programmes.
- 3.4 A key component of the Northern Transport Charter is the call for a devolved budget for the North. This will enable the Board to prioritise within a financial framework and work with partners to ensure that transport solutions are affordable and deliverable.

#### *National Investment Programmes*

- 3.5 A key statutory role for TfN will continue to be to advise Government on strategic rail and road priorities. This will require TfN to continue to work with its partners and national delivery agencies to ensure the North’s needs shape national investment programmes (e.g. National Highways Road Investment Strategy, Network Rail’s Rail Network Enhancement Programme).

- 3.6 For the period covered by the 3-year Business Strategy this will include making provision for inputting into RIS3 (for National Highways) and CP7 (for Network Rail).
- 3.7 TfN already had specific (statutory) responsibilities with regards to the rail sector. These are discharged through a combination of the work of the Rail North Committee and the Rail North Partnership.
- 3.8 Whilst the Williams-Shapps Plan for Rail is largely silent on the relationship between Great British Railways (GBR) and TfN, we are working closely with the rail sector and the GBR Transition Team to develop a proposition for the North that builds on TfN's existing statutory role. In this we should draw on examples of existing local devolution (e.g. Merseyrail).

#### *Implementation*

- 3.9 TfN is not primarily a delivery body in its own right: infrastructure owners will continue to be responsible for the detailed development of specific proposals and for securing the necessary permissions.
- 3.10 However, having prepared the Strategic Transport Plan there is a key role for TfN to play in:
- Agreeing the scope of work commissioned from infrastructure owners – using TfN's accumulated knowledge and experience to better inform the work of national infrastructure owners
  - Using TfN's modelling tools and analytical frameworks in the development of detailed proposals – ensuring consistency with the Strategic Transport Plan and reducing the need for external support
  - Acting as an external challenge during the development of detailed proposals – apply TfN's capabilities to challenge costs and limit scope creep
- 3.11 Such an approach requires TfN to have the capability and capacity to support DfT in commissioning works, and where appropriate TfN having an explicit role in the governance arrangements. This could include role(s) as co-client and/or co-sponsor.
- 3.12 With increasing emphasis on the importance of addressing barriers to delivery, TfN should look to strengthen its working relationship with DfT's Acceleration Unit, with a view to enabling the benefits of its work to be rolled out more widely. It should also look to use the opportunity created by the Northern Transport Acceleration Council to harness the Secretary of State's commitment to remove barriers to delivery.

## **4. A Systems Approach**

- 4.1 TfN's work on the Strategic Transport Plan has been shaped by the need to improve connectivity: moving forward improving connectivity will comprise both the physical and virtual worlds.
- 4.2 At the same time, electrification of the transport system increases the importance of aligning investment in transport with that in the country's energy systems. The regulatory framework governing

investment in energy systems operates at the national level; TfN's work on ev-infrastructure/alternative fuels could form a basis for engaging on this issue nationally.

- 4.3 In a similar vein, realising the potential of innovation in the transport system is dependent upon the availability of ubiquitous digital connectivity – whether it be in terms of enabling users to gain access to information, or service providers being able to deploy new products.
- 4.4 Where this leads to is the recognition that in looking at the future of the transport system it is essential to adopt a systems approach – one that looks at transport, digital and energy infrastructure in the round.
- 4.5 This is not to suggest that TfN is the only body which has an interest in or could have a role in adopting a systems approach. However, given TfN's statutory role as the strategic transport body for the North there is a need to consider how it might contribute to such an outcome.

## **5. Transition**

- 5.1 The statutory role of TfN as a Sub-national Transport Body remains unchanged. The essence of its work likewise remains unchanged.
- 5.2 The focus set out in this paper provides the basis for guiding the transition of the TfN executive that is required due to the change in working arrangements associated with Northern Powerhouse Rail (Phase 1).
- 5.3 Whilst this paper provides the basis for focusing the activities of the TfN executive, the scale of those activities will be dependent upon the level of core funding available.
- 5.4 There will also be a need to take account of the role the TfN executive has in providing leadership across the seven STBs on the development of the Common Appraisal Framework: a reflection of TfN's leadership on modelling tools and analytical capability.